

State of California

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Legislative Change No.

98-15

Bill Number: AB 2366

Author: Cedillo

Chapter Number: 98-818

Laws Affecting Franchise Tax Board:

Revenue and Taxation Code sections 18821, 18851, 18852, 18853, 18854, and 18855

Date Filed with the Secretary of the State: 9/25/98

SUBJECT: Emergency Food Assistance Program Fund and California Mexican American Veterans' Memorial Beautification and Enhancement Account

Assembly Bill 2366 (Cedillo), as enacted on September 25, 1998, made the following changes to California law:

Section 18821 of the Revenue and Taxation Code is amended.

This act deletes the requirement that the Veterans' Memorial Commission notify the Franchise Tax Board (FTB) in writing that the Veterans Memorial is "completely constructed." This act deletes the requirements that the California Mexican American Veterans Memorial Fund appear on the personal income tax return in the year the Veterans' Memorial is completely constructed if the FTB was notified in writing prior to September 1; or appear on the tax return the year following the completion of the Veterans' Memorial if the FTB was notified in writing on or after September 1.

This act requires that the California Mexican American Veterans' Memorial Fund appear for contribution on the personal income tax return in the year in which the notification is received that the construction on the Veterans' Memorial has commenced.

Section 18851 of the Revenue and Taxation Code is added.

This act allows an individual to designate on the tax return a voluntary contribution to the Emergency Food Assistance Program Fund. The designations must be made in full dollar amounts and may be made individually by each signatory on a joint return. A taxpayer's return would be treated as if no designation had been made if payments and credits reported on the return, together with any other credits associated with the taxpayer's account, does not exceed the taxpayer's liability. If no designee is specified, the contribution would be transferred to the General Fund after reimbursement of direct actual costs of the Franchise Tax Board (FTB) for the collection and administration of the moneys. If the individual designates a contribution to more than one account or fund and the amount available is insufficient to satisfy the total amount designated, the contribution shall be allocated among the designees on a prorata basis. This act requires the FTB to revise the personal income tax return to include a designation space for the fund. A deduction would be allowed for any contribution made under this section.

Bureau Director

Johnnie Lou Rosas

Date

10/7/98

Section 18852 of the Revenue and Taxation Code is added.

This act establishes the Emergency Food Assistance Program Fund. The FTB must notify the Controller of both the amount of money paid by taxpayers in excess of their tax liability and the amount of refund money that the taxpayers have designated to the fund. The Controller must transfer from the Personal Income Tax Fund to the Emergency Food Assistance Program Fund an amount not to exceed the total amount designated on the tax return by individuals.

Section 18853 of the Revenue and Taxation Code is added.

This act requires that, upon appropriation by the Legislature, all money transferred to the Emergency Food Assistance Program Fund be allocated as follows:

- 1) to the FTB and the Controller for reimbursement of costs relating to this fund; and
- 2) to the State Department of Social Services for allocation to the Emergency Food Assistance Program. This act specifies that the funds must be allocated for direct services provided by the Emergency Food Assistance Program and may not be used for the department's administrative costs.

Section 18854 of the Revenue and Taxation Code is added.

Legislative intent language specifies that this act create an additional funding source for the Emergency Food Assistance Program and must be used to supplement, not supplant, other funding sources for this program.

Section 18855 of the Revenue and Taxation Code is added.

This act provides a repeal date of January 1, 2004 for this article.

For taxable years beginning 1999, this act requires the Emergency Food Assistance Fund to meet the minimum \$250,000 minimum contribution requirement. For taxable years beginning 2000, the FTB must adjust the minimum contribution amount for inflation based on the California Consumer Price Index received annually on or before August 1.

This act is operative January 1, 1999.

This act will not require any reports by the department to the Legislature.

Both the California Mexican American Beautification and Enhancement Account and the Emergency Food Assistance Program will appear on the 1998 tax return filed in 1999.